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June 14, 1993

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JUN 14 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: ET Docket No. 92-9
RM-7981
RM-8004

Dear Ms. Searcy:

On behalf of Digital Microwave Corporation, we are filing an original and eleven (11) copies of its Reply to Supplemental Comments in the above-referenced rule making proceeding.

If there are any questions, please communicate with the undersigned counsel.

Respectfully submitted

FLETCHER, HEALD & HILDRETH

Leonard Robert Raish

Leonard Robert Raish
Counsel for Digital Microwave
Corporation

LRR:cej
Enclosures

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BEFORE THE

JUN 14 1993

Federal Communications CommissionFEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20554

In the Matter of)	
)	
Redevelopment of Spectrum to)	ET Docket No. 92-9 /
Encourage Innovation in the)	
Use of New Telecommunications)	RM-7981
Technologies)	RM-8004

To: The Commission

REPLY TO SUPPLEMENTAL COMMENTS

The Digital Microwave Corporation ("DMC"), through its attorney, hereby submits the comments below in response to FCC Public Notice number 33340 dated May 28, 1993 (DA 93-603). The aforementioned Public Notice concerns Supplemental Comments filed in the above cited proceeding by ALCATEL Network Systems, Inc. on May 20, 1993.

I. GENERAL

1. DMC designs, manufacturers and markets advanced, high performance digital microwave radio equipment. Its products have the capacity to transmit and receive multiple DS1 and DS2, and single DS3 lines carrying voice, data and video signals. DMC is one of the world's largest suppliers of microwave equipment with customers that include common carriers seeking to offer a variety of digital transmission services to their customers, and private users and governmental agencies which build their own private short haul telecommunications networks. DMC is one of the largest exporters of U.S. made microwave equipment.

2. DMC has participated in the ET Docket No. 92-9 proceeding from the beginning as one of the three parties making up the "Joint

Commenters".

**II. SEPARATE COMMENTS OF TIA AND
"JOINT COMMENTERS" SUPPORTED**

3. DMC was an active participant in the "Compromise Plan" included in comments being filed separately today in this proceeding by TIA. DMC was likewise a participant in preparing the comments of the "Joint Commenters" also being filed separately today. DMC believe that overall the TIA "Compromise Plan" is a good compromise noting the length of the phase-in period for the spectral efficiency requirements is an important issue. The "Joint Commenter", in paragraph 2 of their comments, referred to consideration of 3.5 and 5 year phase-in period by the Commission.

**III. LONGER PHASE IN OF SPECTRAL
EFFICIENCY REQUIREMENTS IS PREFERABLE**

4. Noting the discussion just above, the Commission is urged to consider and adopt a five year phase-in period for spectral efficiency requirements emanating from this proceeding. The reasons for this are:

- (a) The public interest would be better served as users have made and are making commitments for hardware to meet their telecommunications needs based of standards now in place
- (b) Normal life of a new product is five to seven years (and even longer). DMC has just introduced and begun shipping product to users based upon the existing rules. The transition period allows users to enjoy the benefits of

these products without a sacrifice on the part of the user. However, the 3.5 year phase-in period essentially cuts the saleable life of that product in half making it very difficult for DMC to recover cost of development and concurrently underwrite costs for development of equipment to be built to the new standards.

- (c) A five year time frame seems appropriate, since that was used in a similar situation on Docket No. 79-188. In that case, the rules pertaining to 18 GHz spectrum efficiency became effective December 1, 1983 and the transition period ended December 1, 1988.
- (d) The current rules allowed 16 QAM modulation to be used for DS-3 traffic. The benefit is better system gain than 64 QAM modulation. This affects system costs because it affects the costs of towers, repeaters, and antennas. For the sake of spectral efficiency, DMC has agreed to the new rules. However, we believe that the most fair approach would be for the FCC to allow customers access to these products for 5 years after effectivity of the new rules.

IV. CONCLUSION

5. In conclusion, DMC supports the TIA comments and the "Joint Comments" both being filed in this proceeding today. Noting the second paragraph of the "Joint Commenters" filing, DMC urges the Commission to consider and adopt a five year phase-in period for the reasons stated above.

Respectfully submitted,

DIGITAL MICROWAVE CORPORATION

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Date: June 14, 1993